

Message Text

LIMITED OFFICIAL USE

PAGE 01 KINSHA 11198 271357Z

47

ACTION AF-18

INFO OCT-01 EUR-25 ISO-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01 AGR-20 SS-20

NSC-10 PA-04 PRS-01 USIA-15 L-03 H-03 DRC-01 /197 W

----- 100916

R 271317Z DEC 73

FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC 6030

AMEMBASSY BRUSSELS

LIMITED OFFICIAL USE KINSHASA 11198

E.O. 11652: N/A

TAGS: ECON, CG

SUBJECT: MOBUTU'S NEW ECONOMIC INITIATIVES

REF: KINSHASA 11168

1. FOLLOWING JOINT MEETING DECEMBER 26 OF POL, BUR, NATIONAL EXECUTIVE COUNCIL, BUR OF NAT LEG, COUNCIL WITH PRESIDENT MOBUTU, NEW SERIES GUIDELINES AND MEASURES FOR IMPLEMENTING NOVEMBER 30 ECONOMIC DECISIONS WERE ANNOUNCED. NEW GUIDELINES AND MEASURES, WHICH WERE BASED ON RECOMMENDATIONS PREPARED AND SUBMITTED BY STATE COMMISSIONER FOR NAT ECON, FIN, AGR, ARE AS FOLLOWS:

A. LARGE FOREIGN AGRO-INDUSTRIAL AND COMMERCIAL ENTERPRISES JUDGED TO BE STRATEGIC WILL BE TAKEN OVER BY THE STATE.

B. PLANTATIONS, FARMS, CERTAIN COMMERCIAL ENTERPRISES WILL BE RESERVED FOR PRESIDENT'S CLOSEST COLLABORATORS, THAT IS MEMBERS POL BUR, LEGISLATIVE COUNCIL, NATIONAL EXEC COUNCIL.

C. ZAIRIANS APPLYING TO TAKE OVER SMALL COMMERCIAL ENTERPRISES MUST BE RESIDENTS OF PLACE WHERE BUSINESS LOCATED TO BE APPROVED.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 KINSHA 11198 271357Z

D. TO PROTECT INDEPENDENCE AND INTEGRITY OF THOSE

INSTITUTIONS, MEMBERS OF ZAIRIAN ARMED FORCES, JUDICIARY, CIVIL SERVANTS, AMBASSADORS, COMMISSIONERS OF REGIONS, SUB-REGIONS, ZONES PLUS CHIEFS OF COLLECTIVITIES AND LOCALITIES ARE PROHIBITED FROM APPLYING TO TAKE OVER AN ENTERPRISE.

E. ALL CONSTRUCTION FIRMS OPERATING IN ZAIRE ARE TO BE TAKEN OVER BY A TO-BE-CREATED NEW NATIONAL CONSTRUCTION COMPANY. FOR THE TIME BEING, FOREIGN CONSTRUCTION FIRMS ARE TO RETAIN THEIR STRUCTURE AND PERSONNEL. HOWEVER, THEIR ACTIVITIES WILL BE COORDINATED BY DEPARTMENT PUBLIC WORKS. INDEMNITY WILL BE PAID ON SAME BASIS AS FOR OTHER TAKEOVERS, 10 PERCENT PER YEAR OVER TEN-YEAR PERIOD.

2. IT WAS REPORTED THAT DURING MEETING, PRESIDENT MOBUTU STRONGLY REEMPHASIZED HIS DETERMINATION THAT TRANSFER OF FOREIGN OWNED ENTERPRISES TO ZAIRIANS SHALL NOT ENRICH THE BOURGEOISIE TO THE DETRIMENT OF THE PEOPLE.

3. COMMENT: FACT THAT LIST OF ZAIRIANS APPROVED TO TAKEOVER FOREIGN ENTERPRISES WILL BE PUBLISHED DECEMBER 31, PLUS WIDER CAST ECONOMIC NET TO ENSNARE FOREIGN-OWNED CONSTRUCTION COMPANIES FOR GOZ, IS EVIDENCE THAT PRESIDENT MOBUTU IS DETERMINED IMPLEMENT NOVEMBER 30 ECONOMIC DECISIONS WITH ALL DELIBERATE SPEED. ULTIMATE EFFECT NEW GUIDELINES AND MEASURES WILL HAVE ON ECONOMY REMAINS TO BE DETERMINED BUT SOME DISLOCATION INEVITABLE. HOWEVER, CLARIFICATION PROVIDED BY GUIDELINES PARTIALLY DISPELLS FOG OF CONFUSION THAT HAS THUS FAR BLANKETED IMPLEMENTATION OF ZAIRIANIZATION MEASURES. NEW MEASURE CONCERNING TAKEOVER OF CONSTRUCTION FIRMS STILL SOMEWHAT VAGUE. US FIRM OF KALICAK INTL. WILL BE EFFECTED. HOWEVER, KALICAK REPORTS HE IS NOT ALARMED BY MEASURE WHICH HE ANTICIPATED AND THINKS THAT IT MAY ULTIMATELY BENEFIT HIS FIRM. END COMMENT.

NEWLIN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NATIONALIZATION, CONSTRUCTION, BUSINESS FIRMS, FARMS, FOREIGN INVESTMENTS, DEBT REPAYMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 27 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973KINSHA11198
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: KINSHASA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t1973125/aaaaadsc.tel
Line Count: 94
Locator: TEXT ON-LINE
Office: ACTION AF
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: KINSHASA 11168
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 31 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <31-Aug-2001 by rowellE0>; APPROVED <06-Nov-2001 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MOBUTU'S NEW ECONOMIC INITIATIVES
TAGS: ECON, CG
To: STATE BRUSSELS
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005